

2-17-87
12-3-8 v.4

ANNUAL OPERATING PLAN
OUTLINING WORK PLANNED
FOR 1987
SEATTLE PLANT

A. Production and Shipments Schedule:

1. Sales Forecast = 267,000 tons
2. <Ideal Exchange = 85,000 tons>
3. Plant Manufacturing = 182,000 tons
4. Clinker Requirement = 172,900 tons
5. <Tilbury Cement Ltd = 140,000 tons>
Import
6. Durkee Plant Clinker = 32,000 tons

B. Pollution Control Program:

1. Water - We do not anticipate making any changes to our waste water disposal system.
2. Air - A temporary operating permit will be obtained to operate the Symons cone crusher for masonry rock production. 5,000 tons (4 year supply) will be produced. Pressure drops are routinely monitored on all baghouses and overhauls will be performed as indicated.
3. Solid Waste - 12,000 cubic yards of space will be generated by the removal of 18,000 tons of limerock and 4,000 tons of argillaceous silica. These materials were left in inventory since the plant's purchase in March 1984. They have been sold to other users below cost. Existing solid waste will be backfilled into this area which will be regraded and planted. A minimum of solid waste is generated by the plant which, during the year, will be disposed of at conventional landfills.
4. Noise - Objections will continue to be pursued with the City of Seattle, Department of Construction and Land Use over the proposed expansion of the Harbor Island Marina. Objections will also be filed with the U.S. Army Corps of Engineers over violations of the original permit for the Harbor Island Marina in an attempt to have it removed. The marina is the only incompatible land use in the area. In-plant noise control will remain status quo. Annual audiometric testing of all employees will continue.

C. Safety Program - The 1987 Safety Program Will Consist Of:

1. Monthly Safety Committee Meetings
2. Monthly Department Walk-Through by Safety Committee

3. Monthly plant wide safety films.
4. Department Safety Meetings when required. One per month minimum.
5. Continuation of "Safety Bingo" incentive program for consecutive days without a doctor's case.
6. Plant wide distribution of "Fatalgrams" as received from MSHA.
7. Annual CPR refresher for all employees.
8. Registration of all plant visitors and contractors providing written hazard awareness instructions.
9. Escort of all plant visitors.

D. Capital Expenditure Plan:

1. Finish Mill Partition - Install a wall between the finish mill motor area and the mill area. This modification will require further building improvements to allow for mill motor ventilation. An adequate ventilation ceiling fan is available from plant stores in unused condition. It will be installed with thermostatic control to protect motors from excessive temperatures. The purpose of this wall is to allow the symetro gears and the mill motors to operate in an environment free of cement dust.
2. Drive-Through Truck Wash - Erection of a drive-through truck washing system formerly used at the Oregon Portland Cement, Auburn Terminal. Mechanical systems are presently in stores inventory. This project will require extensive work, including a drive-through concrete pad, water surge pump and decantation sump. Electrical installation will require the purchase of motor starters and switch gear. Discharge water will be routed through 400 lineal feet of wrapped six inch pipe. The purpose of this project is to improve customer service by providing drive-through truck washing capabilities.
3. Finish Mill Roof - Replace the present 9,000 square foot roof system on the finish mill building with a similar built up roof. The present roof is 17 years old and badly deteriorated; leaking water into the electrical vault and clinker storage area. The purpose of this project is to prevent leakage in the building and further deterioration of the roof system.
4. Group I Silo Roof - The roof on the 13 silo cluster known as Group I is in very poor condition. It shows signs of leaking. Years of cement spills and jackhammer removal have damaged the old roof now in place.

4. (Continued): The silos have a 20,000 ton capacity and are used for specialty cements and packhouse cement storage. This project would provide a built up roof with a 15 year expected life. The purpose of this project is to prevent water leakage into the cement inventory.
5. Office Building Roof - The roof on the plant office building has shown signs of specific leakage for three years. Roof girders show signs of rot and damp. Some light fixtures and ceiling tile will not hold, due to damp ceiling conditions. The present built up roof was installed over two other roofs. All roofs show water permeation. The purpose of this project is to prevent leakage into the office building, and to attempt to halt mildew and rot in the ceiling system.
6. Maintenance Shop Roof - 1,800 square foot roof over the maintenance shop consists of corrugated steel with composition shakes. The roof leaks badly. It is heavily coated with cement. Cleaning the cement off will damage the roof further and increase the leakage. This project proposes to install a new shingled roof system. The purpose of this project is to prevent leakage into the maintenance shop.
7. Ready Mix Plant - The lease of property to a local ready mix supplier is presently being negotiated. Mechanical and civil alterations to the cement plant facility would be necessary but are of undetermined scope at this time.

E. Major Building and Equipment Repairs:

As part of our 1986/87 Winter Overhaul Program, the following projects and repairs were undertaken to the finish mill systems.

Projects Completed Or In Progress:

#1 Mill

1. Install discharge D/C hose boot
2. Replace chutes from #1 and #2 feed bin slide gates
3. Repair packing gland lubricator
4. Move airslide blower intake
5. Recanvas long airslide
6. Install extra drain on cement cooler pans
7. Inspect couplings on coolers
8. Reverse mill drive

Projects Completed Or In Progress:(Continued):

9. Overhaul feeder motors
10. Install zero speed switches on feeders
11. Clean and inspect SCR boards
12. Calibrate weight screw
13. Repair oil leaks on feeder gear boxes
14. Repair damper on separator
15. New rubber seals, discharge end finish mill
16. Modify mill discharge dust collector duct
17. Install tipping valves on separator
18. Remove separator dust collector duct

#2 Mill

1. Install discharge D/C hose boot
2. Replace chutes from feed bin slide gates
3. Repair packing gland lubricator
4. Move airslide blower intake outside
5. Recanvas long airslide
6. Install extra drain on cooler pans
7. Repair oil leak on N.E. cooler drive
8. Install new water lines
9. Inspect couplings on coolers
10. Overhaul feeder motors
11. Clean and inspect SCR boards
12. Calibrate weight screw
13. Repair oil leaks on feeder gear boxes
14. Tightened liner bolts 1st compartment
15. New rubber seals discharge end.
16. Replace feeder belt and rebuild gate area
17. Realign C-300

Common

1. Replace discharge hoods under clinker silos
2. Inspect belt idlers
3. Blow down building
4. Clean all starters
5. Battery inspection and service
6. Repair or replace vacuum components

Projects Completed Or In Progress (Continued):

7. Clean out sump
8. Repair duct work to all coolers
9. Inspect clinker silo MUCC (upper), tighten all connections, install new starter
10. Replace scrapers on clinker conveyor belts

Projects Pending and Planned:

#1 Mill

1. Revise drain for packing gland
2. Repair oil leak on elevator drive
3. Clean or install new water lines
4. Ultrasonic measurement of mill liners and feed bins
5. Install modified separator distribution table

#2 Mill

1. Revise drain from packing gland
2. Repair leak on elevator drive
3. Move drive for discharge dust collector screw
4. Repair main D/C diverter drive
5. Ultrasonic measurement of mill liners and feed bins
6. Install zero speed switches on feeders
7. Repair damper on separator
8. Modify mill discharge dust collector duct

Common

1. Weld stabilizers around fringe bin
2. Tighten building
3. Fabricate new water spray control manifold
4. Repair or replace Hayward water valve
5. Clean water pipes

F. Major Expenditures:

PROJECT NO.	PROJECT TITLE	BUDGET	SPENDING THRU	EXPENDITURES				CARRY OVER SPENDING
				1ST QTR	2ND QTR	3RD QTR	4TH QTR	
SEA-87-1	Finish Mill Partition	34.3		34.3				
SEA-87-3	Drive Through Truck Wash	10.0				10.0		
SEA-87-4	Finish Mill Roof	30.7				30.7		
SEA-87-5	Group Silo Roof	25.0				25.0		
SEA-87-6	Office Building Roof	12.0			12.0			
SEA-87-7	Maintenance Shop Roof	15.0		15.0				
		127.0		49.3	12.0	65.7		

SEATTLE
1987 PRODUCTION AND SHIPPING SCHEDULE
2/17/87

Tons (Thousands)

	Genstar	Durkee	CLINKER		E.O.M. Inventory	Ideal Trade	CEMENT	
			Grind				Ship	E.O.M. Inventory
			Clink.	Cement				
1/1/87	-	-	-	-	20	-	-	25
Jan.	0	5	14	15	11	4	13	31
Feb.	5	4	11	11	9	5	16	31
Mar.	10	3	13	14	9	7	21	31
Apr.	15	3	15	16	12	8	24	31
May	15	3	18	19	12	8	27	31
June	15	2	17	18	12	9	27	31
July	15	1	17	18	11	9	27	31
Aug.	15	1	18	19	9	8	27	31
Sept.	15	2	18	19	8	8	27	31
Oct.	15	3	15	16	11	8	24	31
Nov.	10	3	12	13	12	6	19	31
Dec.	10	2	5	4	19	5	15	25
TOTAL	140	32	173	182		85	267	

ASH GROVE CEMENT WEST, I OPERATIONS REPORT - CEMENT

November 1986	MONTH	YEAR
Clinker production capacity		
Clinker production scheduled		
Clinker produced		
Clinker produced, % of schedule		
Clinker produced, % of optimum		
Clinker purchased	5,033	122,490
KWH per ton of clinker		
Mill B.T.U./ton, kilns only		
Cement production scheduled	17,184	252,068
Cement produced	9,983	198,189
Cement produced, % of schedule	65%	79%
Cement produced: Type I	3,938	81,052
Type II	5,514	94,984
Type III	531	15,764
Type I-P		
Ground Slag		4,304
Oil Well, G		2,085
Masonry		
Cement shipments estimated	17,184	252,068
Cement shipments actual	20,786	266,810
Cement shipments, % of estimate	1.21%	1.06%
Cement Shipments: Type I	6,214	95,172
Type II	11,575	145,854
Type III	1,256	18,866
Type I-P		
Ground Slag	1,427	3,631
Oil Well, G	50	312
Masonry	264	2,975
Inter-Company shipments received	11,704	69,252
Intra-Company shipments		
Clinker shipped		
Clinker received	3,988	47,755
Cement shipped	214	2,963
Cement received		
Inventories:		
Clinker produced & purchased	9,774	
Cement produced & purchased	28,790	
Coal	0	
Gypsum	4,129	
Ground Slag	968	
Wage MH/ton cement shipped (Load and ship only)	.056	.059
Wage MH/ton clinker produced (exclude load & ship)		
Wage overtime, % of total wage MH	.4%	3.1%
Wage overtime, % of total wage MH (exclude load & ship)	.5%	4.5%
Employment:		
Additions, (Discontinuations)	1	
End of Month Total	25	
End of Month Wage	12	
End of Month Salaried	13	

OPERATIONS REPORT -- COMMERCIAL ROCK

	MONTH	YEAR
Primary Crusher Production		
Commercial rock		
Production		
Sugar rock		
Shipments		
Other than to Plant		
Rock from Blubber Bay		
E.O.M. Inventory		
KWH/Ton Clinker - Quarry		
Prod. to Plant		
Employment		
Additions (Discontinuations)		
End of Month Total		
End of Month Wage		
End of Month Salaried		

Comments regarding production, shipments, personnel, safety, quality, maintenance, plant projects, raw materials, weather, etc.: All Locations

1. Packing and Loading B employee while lifting 70 lb. cement sacks required doctor's attention. Held Safety Committee Meeting and showed safety movie to all employees. MSHA representative presented award for 24 months without a lost time accident.
2. Shipments of coal to Durkee Plant by rail is now complete.
3. Drilling completed at Superior Quarry. 24 holes. Weather problems forced core holes to be cancelled and more than doubled the project costs. Lost drill steel will cost \$5K to our account.
4. Completed reversal of #1 finish mill symetro gear.
5. Hired new employee into Building and Grounds Department to replace one that resigned.
6. Attended conference on the reuse of spent potliner. "Local objection" clause in permitting process could still make the use of this material as a fuel supplement impossible.
7. Company matching of United Way contributions by plant operations team totalled \$2,994.
8. Sold 15 tons of masonry bulk cement to Ideal Basic Industries.
9. Ran out of Ideal I-II cement on two occasions. Customers sent to Ideal directly until inventories could be built back up. Installed systems necessary to transfer cement on weekend, but supply curtailments made this strategy ineffective.

10. Met with King County Department of Building and Land Use to discuss our application for an unclassified use permit for the Superior Quarry. Time required for permit processing is 101 days provided there are no questions or objections raised during the process.
11. Requested that Union Pacific Railroad begin steps to abandon the easement at the southeast corner of our property.
12. Notified on 11/26/86, that limestone barge turned over at Tilbury wharf causing extensive damage. Clinker loading system is unaffected.

Ken

KJR:1mb

ASH GROVE CEMENT WEST, INC. OPERATIONS REPORT - CEMENT

October , 1986	MONTH	SEATTLE	YEAR
Clinker production capacity			
Clinker production scheduled			
Clinker produced			
Clinker produced, % of schedule			
Clinker produced, % of optimum			
Clinker purchased	5,717		117,457
KWH per ton of clinker			
Mill B.T.U./ton, kilns only			
Cement production scheduled	22,088		234,884
Cement produced	14,392		188,206
Cement produced, % of schedule	65%		80%
Cement produced: Type I	6,322		77,114
Type II	3,697		89,470
Type III	2,288		15,233
Type I-P			
Ground Slag			
Oil Well, G			
Masonry	2,085		2,085
Cement shipments estimated	22,088		234,884
Cement shipments actual	31,443		246,024
Cement shipments, % of estimate	142%		105%
Cement Shipments: Type I	9,718		88,958
Type II	18,552		134,279
Type III	1,535		17,610
Type I-P			
Ground Slag	1,314		2,204
Oil Well, G			262
Masonry	324		2,711
Inter-Company shipments received	14,085		57,548
Intra-Company shipments			
Clinker shipped			
Clinker received	5,276		43,767
Cement shipped	372		2,749
Cement received			
Inventories:			
Clinker produced & purchased	6,627		
Cement produced & purchased	26,675		
Coal	1,350		
Gypsum	4,738		
Ground Slag	2,396		
Wage MH/ton cement shipped	0.045		0.059
(Load and ship only)			
Wage MH/ton clinker produced			
(exclude load & ship)			
Wage overtime, % of total wage MH	1%		3.3%
Wage overtime, % of total wage MH			
(exclude load & ship)	1.8%		4.8%
Employment			
Additions, (Discontinuations)	(1)		
End of Month Total	25		
End of Month Wage	11		
End of Month Salaried	14		

OPERATIONS REPORT -- COMMERCIAL ROCK

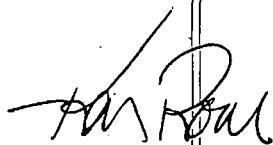
	MONTH	YEAR
Primary Crusher Production		
Commercial rock		
Production		
Sugar rock		
Shipments		
Other than to Plant		
Rock from Blubber Bay		
E.O.M. Inventory		
KWH/Ton Clinker - Quarry		
Prod. to Plant		
Employment		
Additions (Discontinuations)		
End of Month Total		
End of Month Wage		
End of Month Salaried		

Comments regarding production, shipments, personnel, safety, quality, maintenance, plant projects, raw materials, weather, etc.: All Locations

1. Held Safety Committee Meeting, safety movie shown to all employees, and walk through of the finish mill building. Administered flu shots to those employees desiring to participate. One accident involving cement in the eyes. Professional treatment not required.
2. Superior Quarry development was initiated and proceeded well. 24 holes were drilled. Unstable overburden required casing services. Heavy rains the final week significantly slowed the operation requiring additional cat work and road fill.
3. Significant reduction in cement transfers between Ideal and our plant. Ideal was out of cement for five days. This has seriously impacted our inventories cushion as shipments continue to exceed transfers.
4. Central Pre-Mix, with Mr. Hendrickson, visited lab to investigate false set problems experienced with Ideal cement.
5. Excavated settling pond. Will analyze for hazardous waste and in consultation with the Department of Ecology, decide on a disposal site.
6. Received limestone for production of masonry cement delivered by barge from J. A. Jack and Sons.
7. Attended, along with Nathan Fernow, a meeting of the Ash Grove Technical Committee at Overland Park, Kansas.
8. Shipped sacked masonry cement (18 pallets) to Ideal Basic as a regular sale.

OPERATIONS REPORT
October 1986
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9. A fishing pier and public viewpoint is being constructed directly across the turning basin from the plant. This is part of the Port of Seattle's public access plan.

A handwritten signature in dark ink, appearing to read "Tim Row", is written over the left margin of the page.

KJR:1mb

ASH GROVE CEMENT WEST, INC. OPERATIONS REPORT - CEMENT

September, 1986	MONTH	YEAR
Clinker production capacity		
Clinker production scheduled		
Clinker produced		
Clinker produced, % of schedule		
Clinker produced, % of optimum		
Clinker purchased	5,560	111,740
KWH per ton of clinker		
Mill B.T.U./ton, kilns only		
Cement production scheduled	24,541	212,796
Cement produced	13,149	173,814
Cement produced, % of schedule	.536	.817
Cement produced: Type I	5,483	70,792
Type II	4,088	85,773
Type III	3,578	12,945
Type I-P		
Ground Slag		4,304
Oil Well, G		
Masonry		
Cement shipments estimated	24,541	212,796
Cement shipments actual	26,269	214,581
Cement shipments, % of estimate	1.070	1.008
Cement Shipments: Type I	6,722	79,240
Type II	16,193	115,727
Type III	2,199	16,075
Type I-P		
Ground Slag	838	890
Oil Well, G		262
Masonry	317	2,387
Inter-Company shipments received	11,265	43,463
Intra-Company shipments		
Clinker shipped		
Clinker received	4,108	38,491
Cement shipped	306	2,377
Cement received		
Inventories:		
Clinker produced & purchased	8,249	
Cement produced & purchased	28,698	
Coal	1,465	
Gypsum		
Ground Slag	3,710	
Wage MH/ton cement shipped (Load and ship only)	.060	.061
Wage MH/ton clinker produced (exclude load & ship)		
Wage overtime, % of total wage MH	.016	.036
Wage overtime, % of total wage MH (exclude load & ship)	.002	.050
Employment		
Additions, (Discontinuations)	(1)	
End of Month Total	26	
End of Month Wage	12	
End of Month Salaried	14	

OPERATIONS REPORT -- COMMERCIAL ROCK

	MONTH	YEAR
Primary Crusher Production		
Commercial rock Production		
Sugar rock		
Shipments		
Other than to Plant		
Rock from Blubber Bay		
E.O.M. Inventory		
KWH/Ton Clinker - Quarry		
Prod. to Plant		
Employment		
Additions (Discontinuations)		
End of Month Total		
End of Month Wage		
End of Month Salaried		

Comments regarding production, shipments, personnel, safety, quality, maintenance, plant projects, raw materials, weather, etc.: All Locations

1. Genstar agreed to credit our account \$4,953 due to misrepresentations by Lafarge over facts regarding demurage claim on barge L'Etoile.
2. Met with Phil White of Weyerhaeuser along with Ralph Clark to discuss Weyerhaeuser requirements to move along the lease agreement at the Superior silica claim. He gave detailed instructions as to their needs and they are presently being pursued. He said they would need a signed lease before they would give land owner consent on permit application.
3. Dredged portion of settling pond and dressed side slopes. Will continue excavation with General Construction at a further date.
4. Customer complaints investigated:
 - a. Stevenson Construction - False Set. No abnormal false set was detected.
 - b. Interpace Corp. - Short boardlife of masonry. No sample could be provided. Material in inventory was within limits.
5. MSHA representative performed his biannual plant compliance inspection. No negative findings (advisory or otherwise).
6. Sending the instrumentation for the two nuclear density gages to Inkom at the request of Mr. Dunham.
7. Andy Corcoran split and composited portions of the Dall Island core sample.
8. Audited by Washington State Department of Labor & Industries, Self-Insurance Division for compliance to state workmen's compensation procedures. Auditor will issue a report to Mr. Billings.
9. Met with Ralph Clark to outline plans for Superior Quarry development drilling. Mr. Clark will review these plans with Weyerhaeuser and we will secure a drilling contractor.

OPERATIONS REPORT
September 1986
Page Three

10. On Tuesday, September 30th, we received notice from Ideal Basic Industries that we would receive no cement that day due to inventory restrictions caused by kiln outages.
11. Held monthly Safety Committee Meeting. No accidents. Plant personnel viewed safety movie.



KJR:1mb

ASH GROVE CEMENT WEST, INC. OPERATIONS REPORT - CEMENT

	August, 1986	MONTH	YEAR
Clinker production capacity			
Clinker production scheduled			
Clinker produced			
Clinker produced, % of schedule			
Clinker produced, % of optimum			
Clinker purchased	11,319		106,180
KWH per ton of clinker			
Mill B.T.U./ton, kilns only			
Cement production scheduled	24,646		193,983
Cement produced	15,887		160,665
Cement produced, % of schedule	.645		.838
Cement produced: Type I	4,388		65,309
Type II	8,155		81,685
Type III	3,344		9,367
Type I-P			
Ground Slag			4,304
Oil Well, G			
Masonry			
Cement shipments estimated	24,646		193,983
Cement shipments actual	24,685		188,312
Cement shipments, % of estimate	1.002		.971
Cement Shipments: Type I	4,096		72,498
Type II	17,841		99,534
Type III	2,400		13,876
Type I-P			
Ground Slag	68		73
Oil Well, G			262
Masonry	280		2,069
Inter-Company shipments received	11,997		32,198
Intra-Company shipments			
Clinker shipped			
Clinker received	3,035		34,383
Cement shipped	416		2,071
Cement received			
Inventories:			
Clinker produced & purchased	10,961		
Cement produced & purchased	30,042		
Coal	1,577		
Gypsum	6,253		
Ground Slag	4,527		
Wage MH/ton cement shipped	.071		.062
(Load and ship only)			
Wage MH/ton clinker produced			
(exclude load & ship)			
Wage overtime, % of total wage MH	.020		.038
Wage overtime, % of total wage MH			
(exclude load & ship)	.008		.055
Employment			
Additions, (Discontinuations)	(1)		
End of Month Total	27		
End of Month Wage	13		
End of Month Salaried	14		

OPERATIONS REPORT -- COMMERCIAL ROCK

	MONTH	YEAR
Primary Crusher Production		
Commercial rock		
Production		
Sugar rock		
Shipments		
Other than to Plant		
Rock from Blubber Bay		
E.O.M. Inventory		
KWH/Ton Clinker - Quarry		
Prod. to Plant		
Employment		
Additions (Discontinuations)		
End of Month Total		
End of Month Wage		
End of Month Salaried		

Comments regarding production, shipments, personnel, safety, quality, maintenance, plant projects, raw materials, weather, etc.: All Locations

1. Advised that lease on Clinker Club terminated on 8/1/86. Understand LSI will begin replacing deteriorated roof on 8/18/86.
2. Sold 68 tons of scrap grinding balls at \$60/ton.
3. WDOE has approved our request to dredge settling pond which will proceed immediately. Disposal site decisions await sampling of the spoils.
4. Received copy of letter written by John Trimmer, Pres.-Port Angeles Pilots Assoc., written to the Port Commission and endorsing our position that the Harbor Island Marina is a hazard to navigation and should be relocated. No decision has yet been made by City of Seattle on permit to expand marina.
5. Reached 100,000 tons of Genstar imports, resulting in a 70¢ discount on future deliveries.
6. Received complaints and inspected two cars brought in by employees of neighboring Coastal Trailer Repair. Investigation showed material to be paint-like in solubility characteristics and was not cement. The complainants may not have been convinced and kept referring to the fact we buffed another car belonging to their company sometime back.
7. Terminated one employee for sleeping, gross insubordination and leaving without permission. Posted job bid for vacant position. Will add to permanent payroll to maintain same number of permanent positions as prior.
8. Announced and posted 20¢/hour general wage increase effective 9/1/86.
9. Contracted new janitorial service.
10. Ideal Basic Industries received shipload of clinker.
11. Held safety committee meeting. Showed safety related movie. One reportable accident. No lost time accidents.

Tom Row

KJR:lmb

AGC2D000180

ASH GROVE CEMENT WEST, INC. OPERATIONS REPORT - CEMENT

July , 1986	MONTH	SEATTLE	YEAR
Clinker production capacity			
Clinker production scheduled			
Clinker produced			
Clinker produced, % of schedule			
Clinker produced, % of optimum			
Clinker purchased	22,147		94,861
KWH per ton of clinker			
Mill B.T.U./ton, kilns only			
Cement production scheduled	25,637		169,337
Cement produced	19,021		144,778
Cement produced, % of schedule	.742		.855
Cement produced: Type I	4,769		60,921
Type II	14,252		73,530
Type III			6,023
Type I-P			
Ground Slag			4,304
Oil Well, G			
Masonry			
Cement shipments estimated	25,637		169,337
Cement shipments actual	30,210		163,628
Cement shipments, % of estimate	1.178		.966
Cement Shipments: Type I	8,463		68,402
Type II	19,070		81,694
Type III	2,349		11,476
Type I-P			
Ground Slag			5
Oil Well, G			262
Masonry	328		1,789
Inter-Company shipments received	14,418		20,202
Intra-Company shipments			
Clinker shipped			
Clinker received	668		31,348
Cement shipped	545		1,655
Cement received			
Inventories:			
Clinker produced & purchased	11,552		
Cement produced & purchased	27,191		
Coal	1,726		
Gypsum	7,195		
Ground Slag	4,595		
Wage MH/ton cement shipped (Load and ship only)	.053		.060
Wage MH/ton clinker produced (exclude load & ship)			
Wage overtime, % of total wage MH	.023		.041
Wage overtime, % of total wage MH (exclude load & ship)	.006		.060
Employment			
Additions, (Discontinuations)	-0-		
End of Month Total	28		
End of Month Wage	14		
End of Month Salaried	14		

OPERATIONS REPORT -- COMMERCIAL ROCK

	MONTH	YEAR
Primary Crusher Production		
Commercial rock		
Production		
Sugar rock		
Shipments		
Other than to Plant		
Rock from Blubber Bay		
E.O.M. Inventory		
KWH/Ton Clinker - Quarry		
Prod. to Plant		
Employment		
Additions (Discontinuations)		
End of Month Total		
End of Month Wage		
End of Month Salaried		

Comments regarding production, shipments, personnel, safety, quality, maintenance, plant projects, raw materials, weather, etc.: All Locations

1. Two cement ships in at Kaiser Terminal.
2. One accident during period which required doctor's attention.
3. Transferring plant coal to Durkee. Returning with Type I clinker.
4. Delivery of Type I clinker at 2700F. Met with Genstar representatives to discuss situation. They had nothing to offer.
5. An inspector from WISHA came in to inspect wharf and crane. Advised him that WISHA did not have authority over such matters here as we were regulated by MSHA. I referred him to Federal Register Vol. 44, No. 75 for further clarification. He will discuss the matter with supervision and get back.
6. Delivered Ash Grove Bills of Lading to Ideal Basic Industries for the direct sale of Ideal Cement to our customers.
7. Visited Blubber Bay. Erection was complete and done per engineered design. Some guards and water supply remained to be finished. Met with contractor to discuss status of Substantial Completion. Contractor advised that C-7 bid was invalid which was then renegotiated.
8. Reviewed plans and permit application for Genstar's new cement terminal and batch plant at 5101 E. Marginal Way South. 3000 ton cement capacity being installed at this time.
9. Received new forklift as part of 1986 Capital Spending Plan. Completed clinker shed enclosure.
10. Hammerhead crane removed from premises.
11. Began production of blended slag-cement by automatic silo sequencing. Control is achieved by analyzing samples for color.
12. Completed blow-off line extension to allow unloading of two trucks into Silo 21 at the same time.

[Signature]

ASH GROVE CEMENT WEST, INC. OPERATIONS REPORT - CEMENT

June , 1986	MONTH	SEATTLE	YEAR
Clinker production capacity			
Clinker production scheduled			
Clinker produced			
Clinker produced, % of schedule			
Clinker produced, % of optimum			
Clinker purchased	8,156		72,714
KWH per ton of clinker			
Mill B.T.U./ton, kilns only			
Cement production scheduled	29,543		143,700
Cement produced	22,334		125,757
Cement produced, % of schedule	.756		.875
Cement produced: Type I	8,450		56,152
Type II	10,579		59,278
Type III	3,305		6,023
Type I-P			
Ground Slag			4,304
Oil Well, G			
Masonry			
Cement shipments estimated	29,543		143,700
Cement shipments actual	22,928		133,418
Cement shipments, % of estimate	.776		.928
Cement Shipments: Type I	8,062		59,939
Type II	12,854		62,624
Type III	1,484		9,127
Type I-P			
Ground Slag	4		5
Oil Well, G	262		262
Masonry	263		1,461
Inter-Company shipments received	5,451		5,784
Intra-Company shipments			
Clinker shipped			
Clinker received	89		30,690
Cement shipped	475		1,110
Cement received			
Inventories:			
Clinker produced & purchased	6,718		
Cement produced & purchased	24,507		
Coal	1,873		
Gypsum	8,235		
Ground Slag	4,939		
Wage MH/ton cement shipped	.070		.062
(Load and ship only)			
Wage MH/ton clinker produced			
(exclude load & ship)			
Wage overtime, % of total wage MH	.047		.044
Wage overtime, % of total wage MH			
(exclude load & ship)	.013		.071
Employment			
Additions, (Discontinuations)	2		
End of Month Total	28		
End of Month Wage	14		
End of Month Salaried	14		

OPERATIONS REPORT -- COMMERCIAL ROCK

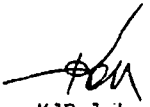
	MONTH	YEAR
Primary Crusher Production		
Commercial rock		
Production		
Sugar rock		
Shipments		
Other than to Plant		
Rock from Blubber Bay		
E.O.M. Inventory		
KWH/Ton Clinker - Quarry		
Prod. to Plant		
Employment		
Additions (Discontinuations)		
End of Month Total		
End of Month Wage		
End of Month Salaried		

Comments regarding production, shipments, personnel, safety, quality, maintenance, plant projects, raw materials, weather, etc.: All Locations

1. Hired two summer employees to absorb workload during vacation periods.
2. Cancelled transfer of Type I from Durkee until present Type I is exhausted. Plant is to use present Durkee I inventory for Type I-D requirements to Lakeside only.
3. Received documents crediting 223 tons of emission to be offset by new plant construction. This is made possible by the permanent and irrevocable shut-down of the "old plant". Future decisions regarding the disposition of these assets will be made with this in mind, i.e. we can now begin to scrap the old plant off.
4. Met with Dept. of Construction and Land Use to further explain our objections to the Harbor Island Marina expansion. They asked if they could come out and photograph situation when we had a barge in. Decision will be 6/17/86.
5. Received 5,000 tons barge delivery of Spanish gypsum. Barge delivery saves \$1.50/ton over previous method. Gypsum now stands at \$23.60/ton. 1983 cost to Lonestar was \$37/ton.
6. Last day for student assistant in Electrical Department. The school system has not funded the program beyond this time.
7. Genstar is storing cement in Lone Star's silos at Concrete, WA.
8. Proposal for reroofing clinker club has now expired and I understand our future use of the facility will be subject to Lone Star's pursuit of needed improvements.
9. Dept. of Ecology and EPA visited to inspect the situation pertaining to our request to excavate settling pond. Took picture and requested sampling. They will formally respond in writing.
10. Learned that Puget Power has dropped their condemnation proceedings at Bear Creek and relinquished their permit to FERC.
11. Genstar batch plant at 5201 East Marginal Way is pending permit approval before Building Dept. Substantial waterfront work will make the application process prolonged.

OPERATIONS REPORT
June 1986
Page Three

12. Received clinker delivery from Genstar containing superior silica. Clinker delivered at 265°F causing belt splices to pull apart twice. Offloaded 2,000 tons. Sent barge back to Genstar to be topped off while conveyor belt was replaced. Tug and barge stand-by charges will be approximately \$7,000.
13. Met with driller at Dall Island to locate drill hole for 1986 and 1987 assessment work.
14. Contacted by Paul Friedlander, President of Port Commission, who agreed with our position that the marina is incompatible and suggests closing it down. He asked for a letter from us proposing the relocation of the Harbor Island Marina tenants to the planned Elliott Bay Marina.
14. Work progressing and nearing completion on \$80K clinker shed enclosure and \$25K transformer cleanup and removal.
15. Shipping kiln gas analyzer to Rivergate.
16. MSHA safety seminar held and showed safety movie for all employees. One doctor's case during month. No lost time.


KJR:imb

ASH GROVE CEMENT WEST, INC. OPERATIONS REPORT - CEMENT

May	1986	MONTH	SEATTLE	YEAR
Clinker production capacity				
Clinker production scheduled				
Clinker produced				
Clinker produced, % of schedule				
Clinker produced, % of optimum				
Clinker purchased		10,934		64,558
KWH per ton of clinker				
Mill B.T.U./ton, kilns only				
Cement production scheduled		29,338		114,120
Cement produced		29,915		116,390
Cement produced, % of schedule		1.020		1.020
Cement produced: Type I		10,677		47,702
Type II		5,451		48,699
Type III		-		2,718
Type I-P				
Ground Slag		820		4,304
Oil Well, G				
Masonry				
Cement shipments estimated		29,338		114,120
Cement shipments actual		24,096		110,490
Cement shipments, % of estimate		.821		.968
Cement Shipments: Type I		11,946		51,877
Type II		10,121		49,770
Type III		1,775		7,643
Type I-P				
Ground Slag		-		1
Oil Well, G				
Masonry		254		1,199
Inter-Company shipments		332		332
Intra-Company shipments				
Clinker shipped				
Clinker received		6,818		30,591
Cement shipped		518		658
Cement received				
Inventories:				
Clinker produced & purchased		19,485		
Cement produced & purchased		20,121		
Coal		1,902		
Gypsum		3,904		
Ground Slag		4,943		
Wage MH/ton cement shipped (Load and ship only)		.060		.060
Wage MH/ton clinker produced (exclude load & ship)				
Wage overtime, % of total wage MH		.090		.040
Wage overtime, % of total wage MH (exclude load & ship)		.150		.080
Employment				
Additions, (Discontinuations)				
End of Month Total		26		
End of Month Wage		12		
End of Month Salaried		14		

OPERATIONS REPORT -- COMMERCIAL ROCK

	MONTH	YEAR
Primary Crusher Production		
Commercial rock Production		
Sugar rock		
Shipments		
Other than to Plant		
Rock from Blubber Bay		
E.O.M. Inventory		
KWH/Ton Clinker - Quarry		
Prod. to Plant		
Employment		
Additions (Discontinuations)		
End of Month Total		
End of Month Wage		
End of Month Salaried		

Comments regarding production, shipments, personnel, safety, quality, maintenance, plant projects, raw materials, weather, etc.: All Locations

1. Shipped two loads of bulk white cement.
2. Three doctor cases. One involved cement dust in eye. One involved foreign body removed from eye. The other involved a Packing and Loading C member who tripped while preparing to lower air hoses into the Goup II compressor basement, falling into the opening and landing on the compressor motor. No lost time in either case.
3. Began transferring Ideal Type I. Off loading systems will require further engineering for reasonable efficiency.
4. Nate Fernow presented testimony regarding the plants long term expansion plans to the Port of Seattle commissioners during debate on the Port's support of lower Duwamish navigational improvements.
5. Discontinued rail shipments of clinker from Durkee. Truck haul will continue at 100 tons/week. This resulting from adequate inventories for Type I-D through 12/31/86 and the need for rail cars on the Durkee/Vancouver transfer.
6. Accepted six hour demurrage charge from Lafarge resulting from broken conveyor belt.
7. Tonnage on Superior silica barge to Genstar remains in dispute. Genstar has been advised of our position and the opinion of Seaspan that the procedures at Genstar are not conducive to accurate draft measurements. We are waiting their decision.
8. Two clinker barges ordered for June. Second barge was requested to be Type II produced with Superior silica.
9. Ideal Basic wanted to purchase 400 tons of coal. Shipped over 100 tons and stopped. They discovered excessive scrap steel and grinding balls in the coal.

OPERATIONS REPORT
May 1986
Page Three

10. Began clinker shed enclosure project. Cost will be \$88K.
11. Blasted slag silo to remove all buy 500-600 tons ground slag for a total finished inventory of 4942 tons.

H. B. Bue

ASH GROVE CEMENT WEST, INC. OPERATIONS REPORT - CEMENT

April	19 86	MONTH	SEATTLE	YEAR
Clinker production capacity				
Clinker production scheduled				
Clinker produced				
Clinker produced, % of schedule				
Clinker produced, % of optimum				
Clinker purchased		21,390		53,624
KWH per ton of clinker				
Mill B.T.U./ton, kilns only				
Cement production scheduled		27,168		84,782
Cement produced		28,451		86,475
Cement produced, % of schedule		1.047		1.020
Cement produced: Type I		15,275		37,025
Type II		10,336		43,248
Type III		2,718		2,718
Type I-P				
Slag		122		3,484
Oil Well, H				
Oil Well, G				
Masonry				
Cement shipments estimated		27,168		84,782
Cement shipments actual		23,971		86,394
Cement shipments, % of estimate		.882		1.019
Cement Shipments: Type I		11,874		39,931
Type II		10,104		39,649
Type III		1,714		5,868
Type I-P				
XXXXXX Slag				1
Oil Well, H				
Oil Well, G				
Masonry		279		945
Intra-Company shipments				
Clinker shipped				
Clinker received		7,835		23,773
Cement shipped				
Cement received				
Inventories:				
Clinker produced & purchased		17,022		
Cement produced & purchased		28,265		
Coal		2,114		
Gypsum		4,768		
Cement made, cost/ton				
Wage MH/ton cement shipped		.060		.060
(Load and ship only)				
Wage MH/ton clinker produced				
(exclude load & ship)				
Wage overtime, % of total wage MH		.031		.032
Wage overtime, % of total wage MH				
(exclude load & ship)		.057		.065
Employment				
Additions, (Discontinuations)		-		-
End of Month Total		26		26
End of Month Wage		12		12
End of Month Salaried		14		14

OPERATIONS REPORT -- COMMERCIAL ROCK

	MONTH	YEAR
Primary Crusher Production		
Commercial rock Production		
Sugar rock		
Shipments		
Other than to Plant		
Rock from Blubber Bay		
E.O.M. Inventory		
KWH/Ton Clinker - Quarry		
Prod. to Plant		
Employment		
Additions (Discontinuations)		
End of Month Total		
End of Month Wage		
End of Month Salaried		

Comments regarding production, shipments, personnel, safety, quality, maintenance, plant projects, raw materials, weather, etc.: All Locations

1. One reportable accident. Employee bruised knee while working with pipe sections being placed by another employee. No doctor treatment required.
2. 3845 tons of Superior Quarry silica shipped to Genstar. 4858 tons of Spanish gypsum received.
3. Converted Workmans Compensation Administration to Fred S. James Co.
4. Seattle Steel accepted our limestone. Will order 350 tons out this month.
5. (b) (6)
6. Splice on barge unloading conveyor pulled apart delaying barge unloading for 17 hours while crews worked continuously to repair. Demurrage charge from Lafarge was \$3500.
7. Changed Blaine holdpoints on Type III production from 520-540 to 530-550.
8. Ordered another truck blow-off line for \$12,872 to access silos 18, 19, 20 and 21.
9. Mr. Fernow attended PCA grinding seminar.
10. All underground storage tanks at Seattle and Auburn have been removed.
11. We, as yet, have no outlet for the coal stockpile most recently offered to Morris and Sons at \$30/ton.

Paul Rose

CASH GROVE CEMENT WEST, INC. OPERATIONS REPORT - CEMENT

March	1986	SEATTLE	
		MONTH	YEAR
Clinker production capacity			
Clinker production scheduled			
Clinker produced			
Clinker produced, % of schedule			
Clinker produced, % of optimum			
Clinker purchased		15,671	32,234
KWH per ton of clinker			
Mill B.T.U./ton, kilns only			
Cement production scheduled		23,988	57,614
Cement produced		31,058	58,024
Cement produced, % of schedule		1.295	1.007
Cement produced: Type I		10,611	21,750
Type II		17,085	32,912
Type III			
Type I-P			
Slag		3,362	3,362
Oil Well, H			
Oil Well, G			
Masonry			
Cement shipments estimated		23,988	57,614
Cement shipments actual		23,436	62,423
Cement shipments, % of estimate		.980	1.083
Cement Shipments: Type I		10,176	28,057
Type II		11,574	29,545
Type III		1,492	4,154
Type I-P			
Type V			
Oil Well, H			
Oil Well, G			
Masonry		194	667
Intra-Company shipments			
Clinker shipped			
Clinker received		5,793	15,938
Cement shipped			
Cement received			
Inventories:			
Clinker produced & purchased		14,605	
Cement produced & purchased		23,952	
Coal		2,114	
Gypsum		1,435	
Cement made, cost/ton			
Wage MH/ton cement shipped		.056	.060
(Load and ship only)			
Wage MH/ton clinker produced			
(exclude load & ship)			
Wage overtime, % of total wage MH		.081	.033
Wage overtime, % of total wage MH		.181	.067
(exclude load & ship)			
Employment			
Additions, (Discontinuations)			
End of Month Total		26	
End of Month Wage		12	
End of Month Salaried		14	

OPERATIONS REPORT -- COMMERCIAL ROCK

	MONTH	YEAR	ADDENDUM
Primary Crusher Production			
Commercial rock			
Production			
Sugar rock			
Shipments			
Other than to Plant			
Rock from Blubber Bay			
E.O.M. Inventory			
KWH/Ton Clinker - Quarry			
Prod. to Plant			
Employment			
Additions (Discontinuations)			
End of Month Total			
End of Month Wage			
End of Month Salaried			

Comments regarding production, shipments, personnel, safety, quality, maintenance, plant projects, raw materials, weather, etc.: All Locations

1. Held two safety committee meetings including a walk-through inspection of the clinker silos and the clinker unloading system. MSHA representative, Mr. Hart, conducted a safety awareness seminar for all employees. One doctor's case: A Production Support B employee needed to have a foreign body removed from his eye. No lost time. Showed movie covering "Right to Know" legislation, program features, employee rights and responsibilities.
2. Complaint from Monier Tile Co.: Efflorescence. Subsequent testing proved an additive to be the culprit.
3. Teamsters working on the property to the north complained to PSAPCA about dust emissions from the clinker shed. PSAPCA inspector called emissions "borderline". No citation. These people have complained several times in the past.
4. PSAPCA annual facility inspection took place with no unusual finding.
5. Met with Fred S. James Benefit representative. They will take over workman's compensation/self-insurance responsibility on April 1, 1986.
6. City Council voted 14.3% rate increase, effective in May, for electrical power.
7. Discussed compliance with new underground storage tank legislation with Mr. Stoll of A. J. Stoll & Sons. He will review requirements and get back with their course of action.
8. MSHA representative conducted biannual plant inspection. Two citations were issued without monetary penalty.
9. Clinker barge arrived with a fully functioning dust collector venting the shuttle conveyor. The improvement in dust emissions was outstanding.

[Signature]

ASH GROVE CEMENT WEST, INC. OPERATIONS REPORT - CEMENT

SEATTLE

February, 1986	MONTH	YEAR
Clinker production capacity		
Clinker production scheduled		
Clinker produced		
Clinker produced, % of schedule		
Clinker produced, % of optimum		
Clinker purchased	5457	16563
KWH per ton of clinker		
Mill B.T.U./ton, kilns only		
Cement production scheduled	18232	33626
Cement produced	7725	26966
Cement produced, % of schedule	.424	.802
Cement produced: Type I	2817	11139
Type II	4908	15287
Type III		
Type I-P		
Type V		
Oil Well, H		
Oil Well, G		
Masonry		
Cement shipments estimated	18232	33626
Cement shipments actual	19995	38987
Cement shipments, % of estimate	1.097	1.159
Cement Shipments: Type I	9288	17881
Type II	9188	17971
Type III	1306	2662
Type I-P		
Type V		
Oil Well, H		
Oil Well, G		
Masonry	213	473
Intra-Company shipments		
Clinker shipped		
Clinker received	4737	10145
Cement shipped		
Cement received		
Inventories:		
Clinker produced & purchased	19465	
Cement produced & purchased	19734	
Coal	2114	
Gypsum	2939	
Cement made, cost/ton		
Wage MH/ton cement shipped (Load and ship only)	.060	.063
Wage MH/ton clinker produced (exclude load & ship)		
Wage overtime, % of total wage MH	.007	.007
Wage overtime, % of total wage MH (exclude load & ship)	.007	.006
Employment		
Additions, (Discontinuations)		
End of Month Total	-> 26	
End of Month Wage	12	
End of Month Salaried	14	

OPERATIONS REPORT -- COMMERCIAL ROCK

	MONTH	YEAR
Primary Crusher Production		
Commercial rock		
Production		
Sugar rock		
Shipments		
Other than to Plant		
Rock from Blubber Bay		
E.O.M. Inventory		
KWH/Ton Clinker - Quarry		
Prod. to Plant		
Employment		
Additions (Discontinuations)		
End of Month Total		
End of Month Wage		
End of Month Salaried		

Comments regarding production, shipments, personnel, safety, quality, maintenance, plant projects, raw materials, weather, etc.: All Locations

1. No accidents. Safety Committee Meeting, Safety Committee Departmental walk through, monthly safety movie and MSHA training seminar were all held during the month.
2. F.L. Smith representative here to assist in changing the high speed pinion shaft seal. One of the two pinion shaft bearings had spun in the base. This was the only unusual finding. Pinion gear face looked very good and absolutely free of pitting.
3. All quarry development activities put on indefinite hold pending outcome of Genstar's second plant trial.
4. Issued purchase order to Austin Co. for design and construct contract for west wall of clinker shed.
5. Notified by Genstar that last barge of Type II clinker received on 1/28/86, analyzed at 59% C₃S, 2.9% MgO and 1.3% free lime. Approximately 2,000 tons of cement were produced from this clinker and is now shipped. 3,500 tons of clinker remain which we will grind as Type I blended with Durkee clinker. No state certified work is being shipped from the contaminated silos, however non-certified cement sales are being handled in normal fashion.
6. Seattle Steel Co., indicated they would purchase at \$5.00/ton F.O.B. our plant, 300 tons/month of limerock contingent on acceptance of first load. Shipments will be by rail.
7. Leased our wharf to another barge company doing overhaul work on their barge.

OPERATIONS REPORT
February 1986
Page Three

8. Submitted Application for Notice of Construction to PSAPCA covering the Tower 9 dust collector installation and the clinker shed wall. 45 tons of particulate is requested to be credited from the latter modification. Also, the clinker unloading dust collector improvements were submitted with the same application.
9. Two customer complaints upon which no further action is anticipated.
 - a. Bayview Ready Mix - Poor strength gain on Type II and air content too high.
 - b. Wilbert Vault Co. - Efflorescence.
10. Installed new 7000 CFM dust collector at Tower 9. Installed 70' x 15' portable dock beneath conveyor belt.
11. Began one finish mill operation. February shipments 10% over forecast necessitated this. Only enough cement will be produced to meet our needs.
12. Issued purchase order to Pacific Basin Coke & Coal Co., for 1986 requirements of gypsum. Delivered price is \$1.70/ton less than last year's price. Annual savings will be approximately \$20,400.
13. Issued purchase orders to Samac Trucking and Northwest Aggregates for handling next trial sample (4000 T) of silica rock.
14. Ground Genstar clinker made with fluorospar for immediate shipment to Stoneway.
15. Shipped first carload of limerock to Seattle Steel after delaying two weeks for Burlington Northern to provide service.
16. Advised Mr. Odell at Seton Johnson Odell to proceed on our behalf with application to bank emissions from the shutdown plant.

Handwritten signature

ASH GROVE CEMENT WEST, INC. OPERATIONS REPORT - CEMENT

January, 1986	MONTH	SEATTLE	YEAR
Clinker production capacity			
Clinker production scheduled			
Clinker produced			
Clinker produced, % of schedule			
Clinker produced, % of optimum			
Clinker purchased	11,106		
KWH per ton of clinker			
Mill B.T.U./ton, kilns only			
Cement production scheduled	15,394		
Cement produced	19,241		
Cement produced, % of schedule	1.250		
Cement produced: Type I	8,322		
Type II	10,919		
Type III			
Type I-P			
Type V			
Oil Well, H			
Oil Well, G			
Masonry			
Cement shipments estimated	15,394		
Cement shipments actual	18,992		
Cement shipments, % of estimate	1.234		
Cement Shipments: Type I	8,593		
Type II	8,783		
Type III	1,356		
Type I-P			
Type V			
Oil Well, H			
Oil Well, G			
Masonry	260		
Intra-Company shipments			
Clinker shipped			
Clinker received	5,408		
Cement shipped			
Cement received			
Inventories:			
Clinker produced & purchased	16,573		
Cement produced & purchased	32,026		
Coal	2,114		
Gypsum	3,362		
Cement made, cost/ton			
Wage MH/ton cement shipped	.066		
(Load and ship only)			
Wage MH/ton clinker produced			
(exclude load & ship)			
Wage overtime, % of total wage MH	.007		
Wage overtime, % of total wage MH			
(exclude load & ship)	.004		
Employment			
Additions, (Discontinuations)			
End of Month Total	26		
End of Month Wage	12		
End of Month Salaried	14		

OPERATIONS REPORT -- COMMERCIAL ROCK

	MONTH	YEAR
Primary Crusher Production		
Commercial rock		
Production		
Sugar rock		
Shipments		
Other than to Plant		
Rock from Blubber Bay		
E.O.M. Inventory		
KWH/Ton Clinker - Quarry		
Prod. to Plant		
Employment		
Additions (Discontinuations)		
End of Month Total		
End of Month Wage		
End of Month Salaried		

Comments regarding production, shipments, personnel, safety, quality, maintenance, plant projects, raw materials, weather, etc.: All Locations

1. No accidents. Held routine safety meetings and safety movies.
2. Authorized Austin Co. to proceed with clinker shed enclosure after submitting a construction estimate of \$65,000. They will begin detailed engineering. Seton, Johnson and Odell will be kept advised of our application to bank the emissions thus saved.
3. Made contact with EPA representative who inspected plant last August to find out if his concerns have been resolved. He indicated our situation was a very low priority. He would write a letter shortly resolving all concerns except for the coal pile which they will request a core drill sample of the pad.
4. Went to a jobsite to represent AGCW in a complaint by the building owner that the paint discolored. The painting contractor claims "alkaline" in the cement caused the problem. The paint and its residue will be tested by an independent paint testing lab.
5. Contacted by Seattle Steel in response to our offer to sell our limerock. They will agree to purchase our material contingent upon acceptance of the first carload. Price is \$5.00/ton FOB plant. Their usage is 300 tons/month.
6. Implemented new telephone system. We now own higher technology equipment at a lower service fee.
7. Asked geologist, Ralph Clark, to put all efforts at the silica quarry on hold until mapping was completed and a drilling program was submitted with estimated cost. Met with Mr. Clark, who has finalized drilling program and awaits approval to begin development drilling.

OPERATIONS REPORT
February 1986
Page Three

8. Nate Fernow attended an EG&G Ortec seminar in Riverside, California on 1/31/86. He visited five other cement plants during his stay.
9. Severe rains and wind caused some damage. 3½" of rain in 24 hour period flooded clinker shed, crusher pits and tunnels, and maintenance shop. Declared emergency endangering life and property and diverted plant storm water off site. Winds damaged roll-up door at silos and lifted part of clinker shed roofing.
10. Received second carload of bulk white cement.
11. (b) (6)
Mr. Carrington as Plant Office Supervisor effective April 1, 1986.
12. Formally reviewed the performance of all salaried staff on an individual basis.
13. First fishing parties of the season were held at the Clinker Club. It appears that the new housekeeper will work out well. All comments were positive.
14. Completed mapping at Quartz Quarry. Bill Harris will assist geologist during next drilling campaign so that the familiarization with the site will be spread among our staff.

KJR:lkq